

HOUSE BILL NO. 282

INTRODUCED BY M. JOPEK

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A PROPERTY TAX REDUCTION OF 5 PERCENT FOR QUALIFYING PRIMARY RESIDENTIAL DWELLINGS; PROVIDING THAT TO QUALIFY FOR THE REDUCTION, THE PROPERTY MUST BE THE PRIMARY RESIDENTIAL DWELLING OF THE TAXPAYER AND THE TAXPAYER MUST HAVE PAID MONTANA INDIVIDUAL INCOME TAXES IN THE TAX YEAR PRIOR TO THE YEAR FOR WHICH THE REDUCTION IS CLAIMED OR, IF THE TAXPAYER IS OVER 65 YEARS OF AGE, THE LAST STATE INCOME TAXES PAID BY THE TAXPAYER MUST HAVE BEEN MONTANA INDIVIDUAL INCOME TAXES; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Rate reduction for primary dwelling of Montana income tax payer. (1)

The applicable class four property tax rate determined under 15-6-134 or 15-6-193 must, for qualified residential property, be reduced by 5%, resulting in a tax rate that is 95% of the rate for the property determined under 15-6-134 or 15-6-193.

(2) To qualify for the primary dwelling rate reduction under this section:

(a) the property must be a residence described in 15-6-134(1)(f)(i) and (1)(f)(iii);

(b) the property may not be receiving a reduced property tax rate under the property tax assistance program described in 15-6-134(1)(c);

(c) the residence must be the primary residential dwelling of the taxpayer; and

(d) (i) the taxpayer must have paid individual income taxes under Title 15, chapter 30, for the income tax year immediately preceding the property tax year for which the exemption is claimed; or

(ii) if the taxpayer is over 65 years of age and if the taxpayer did not pay individual income taxes in the prior year, the taxpayer paid Montana individual income taxes in a prior year and since that payment was made has not paid individual income taxes to any other state and was not a resident of a state that does not impose an individual income tax.

(3) Only one rate reduction may be granted under this section for any residence regardless of the number of taxpayers residing in the residence. Units of a multifamily dwelling that are separately taxable are considered

1 residences for the purposes of qualifying for a rate reduction under this section.

2 (4) An annual application on a form provided by the department is required to receive a primary dwelling
3 exemption rate reduction under this section. The application must provide information necessary for the department
4 to determine eligibility under subsection (2) and any other information necessary for the department to administer
5 the rate reduction. The application must be received by the department not later than March 15 of the property tax
6 year in which the reduction is claimed.

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8 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral
9 part of Title 15, chapter 6, part 1, and the provisions of Title 15, chapter 6, part 1, apply to [section 1].

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11 **NEW SECTION. Section 3. Applicability.** [This act] applies to tax years beginning after December 31,
12 2005.

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